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October 23, 2007

CERTIFICATE OF SERVICE

RE: Case No. 2007-00416
Delta Natural Gas Company, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on October 23, 2007.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 2007-00416
NATURAL GAS COMPANY, INC.)	

ORDER

On November 10, 2004, in Case No. 2004-00067,¹ the Commission approved rates for Delta Natural Gas Company, Inc. ("Delta") and provided for their further adjustment in accordance with Delta's Gas Cost Adjustment ("GCA") clause.

On September 21, 2007, Delta filed its proposed GCA to be effective October 24, 2007. After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

2. Delta's Expected Gas Cost ("EGC") is \$8.6577 per Mcf, which is \$1.0337 per Mcf less than the previous EGC of \$9.6914.

3. Delta's notice sets out no current quarter Refund Adjustment ("RA"). Delta's notice sets out no total RA, which is no change from the previous total RA.

4. Delta's notice sets out a current quarter Actual Adjustment ("AA") of 38.10 cents per Mcf. Delta's total AA is \$1.2719 per Mcf, which is an increase of 26.19 cents per Mcf from the previous total AA.

¹ Case No. 2004-00067, Application of Delta Natural Gas Company, Inc. for an Adjustment of Rates.

5. Delta's notice sets out a Balance Adjustment ("BA") of .16 cent per Mcf, which represents a decrease of \$1.4141 per Mcf from the previous BA.

6. Delta's GCA is \$9.9312 per Mcf, which is \$2.1859 per Mcf less than the previous GCA of \$12.1171.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Delta on and after October 24, 2007.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after October 24, 2007.

2. Within 20 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 23rd day of October, 2007.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00416 DATED October 23, 2007

The following rates and charges are prescribed for the customers in the area served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers.

RATES

	<u>Base Rate</u>	plus	<u>Gas Cost Recovery Rate</u>	equals	<u>Total Rate</u>
Residential					
Monthly Service Charge	\$ 15.50				
All Ccf	\$.4158		\$.99312		\$ 1.40892
Small Non-Residential					
Monthly Service Charge	\$ 25.00				
All Ccf	\$.4158		.99312		\$ 1.40892
Large Non-Residential					
Monthly Service Charge	\$ 100.00				
First 200 Ccf	\$.4158		\$.99312		\$1.40892
Next 800 Ccf	.2509		.99312		1.24402
Next 4,000 Ccf	.1713		.99312		1.16442
Next 5,000 Ccf	.1313		.99312		1.12442
Over 10,000 Ccf	.1113		.99312		1.10442

Interruptible

Monthly Service Charge	\$ 250.00		
First 1,000 Ccf	\$.16000	\$.99312	\$ 1.15312
Next 4,000 Ccf	\$.12000	.99312	1.11312
Next 5,000 Ccf	.08000	.99312	1.07312
Over 10,000 Ccf	.06000	.99312	1.05312